Blending of ethanol with petroleum

2923. SHRI SHARAD ANANTRAO JOSHI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have discontinued the policy of permitting blending of ethanol with petrolem products;

(b) if so, the rationale for the change in the policy; and

(c) whether Government are aware that this change in policy has caused serious hardship not only to the producers of sugarcane who get a lesser price but also to the sugar factories which have lost a lucrative source of income?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) No, Sir. When difficulties were experienced in procuring ethanol in adequate quanties at reasonable prices, a fresh Gazette Notification, No. GSR705 (E) was issued on 27.10.2004 which was in line with the ground realities and would make purchase of ethanol by Oil Companies commercially viable. Oil companies have finalized the purchase of ethanol in Uttar Pradesh and tenders have been invited for procurement of ethanol for other notified States/Union Territories in terms of the above Gazette Notification.

(c) As the process of procurement of ethanol is continuing through tenders, and the sugar industry is responding to tenders, no evidence of hardship for the sugar industry has come to the notice of the Government. In fact, on 4th August 2005, a Memorandum of Understanding (MoU) was concluded between Indian Oil Corporation, the industry coordinator for oil marketing companies, and the Indian Sugar Mills Association (ISMA), to ensure sustained availability of ethanol at commercially sustainable prices.

Incentives to employees of OIL PSUs

2924. SHRI A. VIJAYARAGHAVAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the amount given as productivity incentives to the management and non-management category of employees separately in oil sector during the last four years from 2001-02, separately and company-wise;

(b) the justification for such a scheme without concern for the economic realities of the country;

(c) whether Government propose to extend this scheme for the period 1st January, 1997 to 31st March, 2000; and

(d) if so, the reasons therefor and the financial implications thereof, company-wise?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) The amount spent by the major Public Sector Oil Companies towards Productivity Incentives to the management and non-management category of employees, from 2001-02 to 2004-05 company-wise, is given in the enclosed Statement (*See* below)

(b) The purpose of the performance-linked incentive scheme is to motivate employees to improve organizational performance, attract and retain talent in the oil companies and achieve periodic targets in the face of global challenges.

(c) and (d) Based on the recommendations of the Justice Mohan Pay Committee, the Department of Public Enterprises (DPE) issued guidelines on the revision of pay scales etc. for Board-level and below Board-level executives in PSUs *vide* their OM No. 2(49)/98-DPE(WC) dated 25.06.1999. These guidelines, *inter-alia*, included performance-related payments, which should not exceed 5 per cent of the distributable profit of the enterprise. The revised pay scales were to be applicable from 01.01.1997 for a period of 10 years.

Statement

Company-wise amount spent as incentives to employees of Oil PSUs

(Rs. in crore)

Name of the oil PSU	2001-02			2002-03			2003-04			2004-05		
	Management Category	Non-Management Category	Total	Management Category	Non-Management Category	Total	Management Category	Non-Management Category	Total	Management Category	Non-Management Category	Total
ONGC	142.40	76.68	219.08	224.11	120.68	344.79	212.20	114.27	326.47		Not yet paid	
OIL	3.21	9.03	12.24	3.35	9.09	12.44	4.56	12.53	17.09		Not yet paid	
IOC	40.44	48.86	89.30	41.27	48.49	89.76	46.06	48.87	94.91		Not yet paid	
GAIL	13.44	4.42	17.86	16.19	5.59	21.78	18.19	5.36	23.55	19.18	4.92	24.10
HPCL	13.49	14.76	28.25	14.28	15.39	29.67	17.06	18.33	35.39		Not yet paid	
BPCL	13.17	20.00	33.17	15.67	22.73	38.40	18.73	22.13	40.86		Not yet paid	
EIL	10.92	1.24	12.16	7.92	0.92	8.84	7.82	0.97	8.79	7.98	0.83	8.81